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Press Release

For Immediate Distribution

VSTECS' 4Q FY2019 Profit Jumps 29.6% to RM10.7mil

Declares final dividends of 3.0 sen, cumulating to 5.5 sen dividend for FY2019

KUALA LUMPUR, 20 FEBRUARY 2020 - VSTECS Berhad (VSTECS, 偉仕佳杰; Reuters: VSTE.KL) ("VSTECS" or "The Group"), Malaysia's leading Information & Communications Technology ("ICT") distributor, released its fourth quarter ("4Q FY2019") financial results posting 21.5% increase in revenue to RM542.1 million compared to RM446.1 million in the similar quarter of the preceding year. Profit after tax ("PAT") growth in 4Q FY2019 outpaced revenue growth at 29.6% surging to RM10.7 million from RM8.3 million in the fourth quarter for FY2018. On a full year basis, VSTECS closed FY2019 with revenue of RM1.80 billion, up 10.4% from FY2018. PAT increased by 20.3% to RM29.6 million.

Performance of all business segments improved in FY2019. The Group's ICT Distribution segment contributed RM1.21 billion to revenue, an increase of 6.1% from FY2018. The Enterprise Systems segment posted revenue of RM539.2 million, an increase of 18.5% while the Group's ICT Services segment grew by 40.4% to RM56.0 million. The group's 40% associate company, ISATEC Sdn Bhd, contributed RM2.4 million to PAT since completion of the acquisition in mid-2019.

Financial Summary (Unaudited Consolidated Results)						
RM'000	4Q FY2019 31.12.19	4Q FY2018 31.12.18	Change (%)	12M FY2019 31.12.19	12M FY2018 31.12.18	Change (%)
Revenue	542,095	446,104	21.5	1,802,283	1,632,323	10.4
GP	28,178	24,526	14.9	93,172	86,785	7.4
PBT	13,954	10,999	26.9	39,305	32,775	19.9
PAT	10,734	8,283	29.6	29,593	24,604	20.3
Basic EPS (sen)	6.0	4.6		16.5	13.7	
Weighted average number of ordinary shares ('000)	179,090	180,000		179,573	180,000	

Chief Executive Officer of VSTECS, Mr. Soong Jan Hsung said: “We are pleased with our commendable performance in FY2019 driven by improvements across all business segments. We are cautious for the first half of 2020 stemming from supply disruptions caused by the Covid-19 outbreak. To minimize the impact and to effectively scale up our ICT Distribution business, we have put in place e-commerce strategies to broaden our reach in both the business-to-business (B2B) and business-to-consumer (B2C) segments”.

He added, “Moving forward, the Enterprise Systems segment is an important pillar of growth for us. This segment is less susceptible to supply chain disruptions caused by Covid-19 owing to a more diversified manufacturing footprint. Furthermore, spending on Enterprise Systems are also less affected by consumer sentiments and we expect to see momentum and further opportunities in this segment driven by both the private sector and the government’s initiatives in upgrading technology infrastructure and the implementation of 5G telco networks. With our technical know-how and strong brands representation, we are confident of securing more projects in 2020. This will also spur ICT Services revenue in support of our offering for Enterprise Systems projects”.

ABOUT VSTECS BERHAD

VSTECS Berhad (“**VSTECS**”), and its subsidiaries (“**The Group**”), is a leading distribution hub for Information & Communications Technology (“**ICT**”) products, enterprise systems and provides ICT support and technical services in Malaysia. Listed on the Main Market of Bursa Malaysia Securities Berhad, VSTECS is an associate company of VSTECS Holdings (Singapore) Limited which is in turn held by VST Holdings Limited, a company listed on the Hong Kong Stock Exchange.

VSTECS distributes a comprehensive range of ICT products with over 40 leading principals with a nationwide channel network of more than 6,600 resellers comprising retailers, system integrators and corporate dealers. For more information, please visit www.vstecs.com.my

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